



# Long-Term Care Insurance

From the Office of Minnesota Attorney General Lori Swanson

If you're thinking about buying a long-term care insurance policy, the Attorney General's Office encourages you to consider the following steps before doing so.

- **Take Your Time and Shop Around.** Since policies differ in coverage and cost, consider contacting several companies to compare and contrast policies. Also, take your time in reviewing the policies.
- **Check Out the Company and Agent.** Check with the Minnesota Department of Commerce to make sure the company and the agent are licensed and in good standing.
- **Ask Around.** You may want to consider consulting a financial planner, tax advisor, accountant or attorney before purchasing long-term care insurance.

Be sure to review the policy and its requirements. The Attorney General's Office offers the following information on some of the requirements and provisions that appear in long-term care insurance policies:

## Minnesota Law Requirements.

Minnesota law requires long-term care policies to contain the following:

- a. at least one year of coverage, including nursing home or home health care;
- b. Alzheimer's disease coverage (if the policy is initiated before the disease is diagnosed);
- c. an inflation protection option;
- d. an "outline of coverage" that explains benefits, limitations and exclusions;
- e. a "guaranteed renewable" clause that states the policy cannot be canceled unless the premium is not paid;
- f. a statement that the policy can be canceled by the consumer within 30 days of its start.

## Duration of Benefits.

A policy must cover at least one year, but can provide up to a lifetime of coverage. A policy might be less expensive if the benefit period is shorter.

## Elimination Period.

This refers to the number of days you must be in a nursing home or the number of home care visits you must receive before receiving benefits. The number may range from 0 to 100 days.

## Qualifying for Coverage.

You must meet certain criteria before collecting benefits. This means you must meet varying requirements, including the inability to dress, bathe, and eat independently. If a policy has stricter requirements, it is likely to cost less.

## Assisted Living.

This may be covered at varying levels in different long-term insurance policies. Make sure to carefully read a policy's provisions concerning assisted living.

## Inflation Protection.

This protects your policy from inflation. The more a policy is protected from inflation, the more likely its premium will be higher.

## Pre-existing Conditions and Exclusions.

Minnesota law requires pre-existing conditions to be covered after a six-month waiting period. You should be aware that other exclusions in the policy may apply.

The Minnesota Department of Commerce offers a free publication entitled Long Term Care Insurance: What you need to know. The Commerce Department also licenses insurance companies and accepts complaints concerning long-term care insurance companies, and can be reached as follows:

**Minnesota Department of Commerce**

85 East Seventh Place, Suite 500

St. Paul, MN 55101

651-539-1500

[www.commerce.state.mn.us](http://www.commerce.state.mn.us)

For additional information or to make a complaint, the Attorney General's Office can be reached by phone, mail, or electronically as follows:

**Office of Minnesota Attorney General**

**Lori Swanson**

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651-296-3353 or 800-657-3787

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